

BOARD OF MAYOR AND ALDERMEN

March 7, 2006

7:30 PM

Mayor Guinta called the meeting to order.

The Clerk called the roll. There were fourteen Aldermen present.

Present: Aldermen Roy, Gatsas, Long, Duval, Osborne, Pinard, O'Neil, Lopez, Shea, DeVries (arrived late), Garrity, Smith, Thibault and Forest

- 4.** Presentation of the City's Emergency Operations Plan by Jennifer Czysz of the Southern NH Planning Commission.

Ms. Jennifer Czysz stated I'm a Planner at Southern New Hampshire Planning Commission and here with me tonight is David Preece, Executive Director of Southern New Hampshire Planning Commission as well as District Chief Dan Goonan with the Manchester Fire Department. We recently have begun work on the City's Emergency Operations Plan...this came out of working on the City's Hazard Mitigation Plan adopted about a year ago now following which we were asked to take on the Emergency Operations Plan. Our agency will be coordinating all the meetings and writing of the actual document...the content is primarily going to serve and advise the city staff and department heads especially the Fire Department which is providing the overall coordination of the project. We also have guidance from Joanne Beaudoin who is District Rep for the Bureau of Emergency Management. The Emergency Operations Plan is designed to address the response to consequences of any disaster or emergency that could impact the city. This includes natural disasters such as earthquakes, floods, hurricanes as well as man made incidents...civil disturbances, technological situations and hazardous materials incidents. This may also include terrorism. The primary purpose of the Emergency Operations Plan is to initiate, coordinate and sustain an effective local response to disasters and emergency situations. Additionally, this document serves to provide the organization with which each of the city departments work together to carry out these functions...in particular assigning specific responsibilities to each so they may respond in any hazard condition. The plan provides the basis for coordinating protected actions prior to, during and after any type of disaster. My intent...like I said is to work collaboratively...we have a whole series of city departments involved in the process...for example, but this is not going to be the whole laundry list...City Clerk's Office, Finance Department, Health Department, Highway Department, Information Systems is getting involved as well to bring things together from the communications end. We're trying to reach out to some of the city departments that may not have been initial agencies recognized as having an emergency operations function because all departments actually do have something that they can contribute to the process and we're really trying to pull that in and see how the agencies can work together to create the strongest plan possible for the city. In addition to city departments we're also working with the American Red Cross and

Rockingham Ambulance Services. Now the plan consists of four basic components first of which is the basic plan. Essentially this describes the purpose and scope, situations and assumptions, concept of operations, plan management and then has a general listing of authorities and references. The bulk of this basic plan is within the concept of operations which identifies the various phases of emergency management and provides the organization and assignment of responsibilities to all of these agencies. It also includes text on notification procedures, activation of the Emergency Operations Plan and deployment as well as recovery and deactivation. The next component of the plan is 16 Emergency Support Functions (ESF). Each of these emergency support functions delineates a primary agency and a support agency for carrying out the functions in the ESF. It describes policy, situations, concept of operations and again responsibility but here when we get into the ESF the level of detail assigned to each responsibility increases down to the specific functions that departments may be asked to form. The Emergency Support Functions are established nationally, they are what's come down through the National Event Management System which is a federal program designed by the Department of Homeland Security to make uniform emergency operation planning across the nation to allow a level of consistency and interconnectivity between communities. Some of the Emergency Support Functions include items such as transportation, communications and alerting, public works and engineering, information and planning, mass care and shelter, health and medical services, hazardous materials, food and water, energy, public information, volunteerism information...there are several others as well. The third portion of the plan is a set of administrative appendices...this is essentially just the administrative functions here...the acronyms and abbreviations, terms and definitions and a compendium of emergency authorities and directives. However, one of the administrative appendices is much larger and has a much greater role to play and it's the hazard analysis assessment. Essentially this is our Hazard Mitigation Plan adopted which will now get pulled into the operation as that comprehensive assessment of what the hazards are and what the risks are associated with each. The final portion of the Emergency Operations Plan is the Hazard Specific Annexes and I'm not going to go into much on these because these will all be pleaded by the Fire Department...they include items such as hazardous materials, radiological protection and terrorism as annexes to the plan. As I've said we've already begun on the basic plan. It was reviewed just last Friday by a roomful of department heads and staff...a pretty lengthy meeting, very productive I think we got into some good detail working out some of the kinks. We are using a state template, however, this template was designed for the average New Hampshire community which leaves a lot of work for us to do to really bring it up to the speed that Manchester needs. Additionally, we've drafted up four of the emergency support functions...these are still in the early draft stages and we started meeting with the primary agencies assigned to each emergency support functions...kind of get into the detail each of those needs as well and then they'll be further reviewed by the collective group of department heads. The intent is to work on about four emergency support functions a month and to have a draft plan completed.

Mayor Guinta asked are there any questions from the Board?

Alderman Long asked in this report is there a list of hazmat or disaster trained citizens in Manchester that we may...do you think that would be needed?

Ms. Jennifer Czysz replied I think the hazmat things will lean more towards the annex being done separately. I think Dan is better suited to speak on the topic.

Alderman Long stated for example the Ironworkers Union has a disaster training...after 9/11 we formulated a training program with which to aid, if needed, in disaster relief.

District Chief Goonan stated that is something that we really haven't...is not part...we don't have that involved in the plan.

Alderman O'Neil asked when was the last time a plan was put together for the city?

Ms. Jennifer Czysz replied 2002.

Alderman O'Neil stated and it's a full citywide Emergency Operations Plan.

Ms. Jennifer Czysz replied yes.

District Chief Goonan stated not as comprehensive. What we're doing now is taking that plan putting all the information into a better state format.

Ms. Jennifer Czysz stated basically what's happened is when the Department of Homeland Security came out with this new compliant emergency operations plan there were several more of the support functions that were added to the plan and really took emergency operations plans another step up. What Manchester and similar communities outside here are faced with is having these older plans that first they have to convert to this new format and then second we have to develop new material to make it a more comprehensive plan.

Alderman O'Neil stated I would just encourage the utilities to have a strong voice at the table. I know what we lived through a couple of weekends ago and to me it was a natural disaster and there was no coordination in the city and I think it was a major issue. Just curious when did the Chief as Southern New Hampshire Planning Commission to take on this project?

Ms. Jennifer Czysz replied initially an informal...Hi, how do you do kind of request...it was literally right after the Hazardous Mitigation adoption.

Alderman O'Neil asked what about formally?

Ms. Jennifer Czysz replied formally we did some contract negotiations over the course of late last summer into the fall.

District Chief Goonan stated we received money from the State of New Hampshire and from there we contracted with Southern New Hampshire...they did such a great job on the Hazard Mitigation Plan.

Alderman Thibault stated, your Honor, I would just like to take the time here to acknowledge Dave Preece having taken over for Moni Sharma who was there for 99 years I guess. I served on this Board for many, many years and I'm glad to see that Danny O'Neil is finally on that Board with me in order to bring out some of the things that are going on here that are so important to this city. This unit coordinates what happens through the whole state, they coordinate what may happen regarding parking garages, fire department and many other functions. I just wanted to say that Dave and I have developed a relationship, I believe, that's second to none similar to the one I had with Moni and I certainly am pleased Danny O'Neil on this Board with me to see that if I miss a meeting Danny will be there to carry on. I just want everyone to know that David Preece is a top notch man in this area...that if anyone has a question of David Preece please call him if not call me.

Alderman Forest stated I have just one comment and I know that you mentioned a lot of department heads that were involved in this as there should be but I noticed you didn't mention anything about law enforcement...is that part of it.

Ms. Jennifer Czysz replied most definitely. I tried to focus here on the departments that we wouldn't naturally associate with emergency operations planning to kind of give an idea of the scope.

Alderman Forest stated usually in a disaster they are the first responders.

District Chief Goonan stated I think we're bringing in most of the departments into the plan. The last plan in 2002 really didn't address responsibilities of all departments.

Alderman Shea stated I'm glad to see one of my former students at Hallsville School having a leading role for health and welfare in this emergency plan. Today I went over to Engine 7 and Captain Al Poulin reviewed with me the building collapse unit that they have put together. It's a wonderful type project that eight members worked on, it was a federal grant and I wondered is this going to be part of the emergency planning that's going to take place. I know that the purpose of this particular unit is to work with collapsed buildings and places like that that have to be torn up and I wondered have you considered...I know it's not activated yet because the truck hasn't been fully approved but I think it should be activated

for the April disaster program that you're going to have, Dan, so I wondered if this is going to be part of this emergency planning or have you got to that stage yet?

District Chief Goonan replied I believe that truck is part of the Fire Department. This plan is there to take input from the city so that would be part of it.

Ms. Jennifer Czysz stated the Emergency Operations Plan essentially serves as an umbrella document. It's the most general while still being specific of all of the emergency planning documents and then what happens through these emergency support functions reference is then made to the more specific plans that exist and programs that exist within the city. So, for example, I was working with the Health Department this morning on that particular emergency support function and the emergency support function essentially acts as the summary but then the Health Department has yet another plan which is even more detailed, it takes that emergency support function and puts it into practice and spells it out specifically and the idea is that from each of these similar documents will grow under this umbrella.

Alderman Shea stated as a former school employee is the School Department taking an active role in this particular situation?

Ms. Jennifer Czysz replied yes they are.

Alderman Shea stated so they're coordinating things as well because obviously we have a lot of concerns there. Thank you.

Alderman Lopez stated to follow up on Alderman Shea's question about the collapsible emergency van...maybe the Fire Department along with the Mayor's Office could educate the Aldermen on it for the simple reason that the firemen got this van themselves with grant money and I think that's got to be commendable and I personally was over there and I think at some point that the rest of the Aldermen should see this because it's something that's hands on that the firemen did themselves so maybe for another time you could coordinate with the Mayor's Office and make a presentation or something.

Alderman Pinard asked are you planning to train civilians. During the Second World War we had what they called...and you weren't even born...they had the Civil Defense. I remember the Civil Defense...certain people with white hats and first aid kits and in case of any emergency they would hit the streets of Manchester. In my years in the city and with my being an Alderman for a number of years now and hearing about all of this preparedness going on I have yet to hear that you're going to go after the civilians of this community to have some people ready if there is a case for an emergency in a particular area of the city and I think that's something that should be looked at because I'm sure that in today's world that there's an awful lot of people who would like to participate to save lives. Thank you.

District Chief Goonan stated that's being addressed as part of the plan...certainly, Red Cross.

Ms. Jennifer Czysz stated one of the emergency support functions is specifically volunteerism/donations.

Alderman Pinard stated I understand the Red Cross and the Salvation Army are always there but going back 60 years ago when they had civilians ready to go out with the tanks and their hats and whatever and when the sirens rang they were out there and I think that would help the Red Cross and the Salvation Army and many other people. Thank you.

5. Presentation by representatives of Autodesk to inform the Board about its Manchester-based business activities.

Mayor Guinta stated if Paul Borek and members of Autodesk could come forward. It's one of Manchester's businesses that we have in the city that thought it would be interesting and noteworthy to the Board for some companies to come forward and talk about their Manchester-based business activities to provide us further understanding of some of the businesses that we have in our community.

Mr. Paul Borek, Economic Development Director, stated it's my pleasure to introduce to you tonight three distinguished representatives of Autodesk...Paul Mailhot, Senior Director of Sales; Jay Cawley, Finance Director; and Charles Rechtsteiner, Regional Real Estate & Facilities Manager. They are here to present information about their exciting, innovative presence in Manchester.

Mr. Mailhot stated I'm joined by Jay and Charles and we're going to talk to you a little bit for a few minutes about Autodesk. As mentioned we're right down the street in the Millyard next to the river and we want to tell you a little bit about our company. Jay is going to tell you a little bit about financials and how we're doing as a company and then Charles will talk about our facilities and the employees and what we do here in Manchester. So, without further adieu we always get many, many questions about what is Autodesk and I wanted to address that for a few minutes and tell you about the markets that we serve in and the types of things our customers do. Our CEO Carol Bartz always talks about what our customers do and basically there is no end to what they can do with our software. We talk about customers realize their ideas of using our software...we're a design software company, we play in five key markets as listed up there on the slides...manufacturing is the first so anything that can be manufactured be it a car part, a desk, a table that you're sitting at...our customers use our software to help design and manufacture those things...building design is another key market for us...any commercial residential type building that you see anywhere has some design done with our software...in fact many of the products that serve this market

are built here and designed and developed in Manchester...that's a large part of the folks that live in the area work in the Millyard develop those software applications...infrastructure is yet another market that we play in typically known as GIS civil engineering survey is all part of this market and again here in Manchester we develop a lot of the applications in this particular market...media and entertainment...many of the movies that you see, many of the games that are played on computers and hand held games that our kids are playing with...those games and those smoothies are developed with our software, we have a large presence in Hollywood and overseas in the development and creation of entertainment and now with the movement in high definition it has become quite a large business for us. In fact, we just closed a large acquisition just a couple of months ago with a firm that was out of Toronto, Canada and we're now considered quite a large player in this space. And then finally location based services as many and many more cell phones are produced and used out there many have a GPS device in them and we have software that now helps track the location of the people using those phones as well as the services in and around where they're using those phones, the location based services is yet another key market that we're playing in. I could probably put up a slide here with many, many different software titles...we have in excess of 60 software titles that we developed at Autodesk but I thought I'd pick a few that are actually created here in Manchester...Architectural Desktop is one of our key 3-D design products for the building industry as is surveying...surveying application that you see surveyors out in the streets and roads marking points who use our technology to input those points into the computers and use to do design work and then finally Rev It Building is a relative new title and many of the rev it functionalities were developed both here in Manchester and in our Waltham, Massachusetts office. So I wanted to highlight a few of the software titles that are developed here locally. Market leadership...I wanted to touch on that for just a second. We're certainly in the top ten in terms of the size software company that we are with all the acquisitions that happen at any given point in the high tech industry you never quite know exactly where we follow...we're probably in the fifth or sixth range right now...we're about a billion and a half dollar company...we have seven million users worldwide and again those users do all types of things as you can well imagine given the industries that I described earlier. We sell and support and service our customers with a vast network or distributors and resellers around the world and I also wanted to highlight the fact that 100% of Fortune 100 companies out there use our software, our software applications and the other highlight is we're operating in 106 countries around the world...we are based in San Rafael, California but have operations all over the world. I'll turn it over to Jay to talk about some of the financials and how we're doing as a company.

Mr. Jay Cawley stated as Paul mentioned we just finished our fiscal year and made about \$1.5 billion in revenues from here. As you can see we actually are higher 3% from the prior year. The company itself is very strong...actually \$287 million right now, spent a couple of million dollars buying a company in Toronto that Paul mentioned. In terms of research and development which ties to a lot of the employees based here in Manchester the company overall spent over \$300 million last year. The expectation is that we'll continue on that

track. In addition, the cultural Autodesk in addition to financial excellence and also support our employees as well as the company's financial support and really integrating where the communities are based. This is just a list of some of the areas that employees here in Manchester integrated with...not only in Manchester but within the state...to give you an example...the New Horizons New Hampshire...there's an on-going effort...you'll see competitions within the groups even within the Manchester building to have employees donate food, vans being pulled up in front and loading those vans with food and providing donations as well as financial support from the company...the Red Cross is regularly on site with blood drives, we're actually involved in a number of other programs up here and actually the first program...science and technology...company wide initiative...we donated over \$10 million in goods and services through software. The senior management team as well that's not listed here actually encourages as part of an employee benefit...employees can spend four hours every month donating their time to either the local schools or to help out with sports, sports leagues or whatever they elect but that is highly encouraged as well but not shown here. Charles is going to talk a little bit about site specific issues.

Mr. Charles Rechtsteiner stated I work in the corporate real estate and facilities department and on the East Coast here we oversee seven offices down the East Coast with the largest being Manchester. We've been on Commercial Street since 2000...originally Autodesk was in Bedford...we acquired a company in Henniker. Currently, as of January 31st we have 330 employees based in Manchester now. The average wage level there is \$77,860. Of that mix about 52% of us are software engineers and the other 21% which is customer and profit support. I'll tell a bit of a story on this...application based services...Verizon wireless cell phones in December and I was contacted by the lead business unit manager and reviewed as far as what type of site specifics...Denver and two other sites were looked at and Manchester was actually the place that they said were the quality of life, cost of living, site allocation which is a little bit later on in the slides was a big one also but kind of a hip modern culture that they kind of like down here...that target demographic the 25 age group. Also another piece is because we operate in six countries we have a lot of visiting staff. We actually average 10-15 visiting staff a week...people coming to Manchester using the infrastructure, the restaurants, the hotels, airport on a regular basis as part of the basis. Site allocation is actually operational costs and we charge it back to the individual business groups. Manchester is a desirable site because of the cost of living and the tax base make it an attractive place so were one of the more efficient sites in the system...the average is actually \$8,867 per person per year...Manchester is in the \$6,000 range and this is causing a lot of growth in Manchester. Right now as it stands we have 39 seats and at 330 we need space...so we have plans starting next month to increase that capacity. Next is just an overall flavor of the growth curve...I also put up Waltham as an indicator that it's also growing and the overall look at the region and we're also adding some capacity down there. Parking is a big issue for us. The parking down in the Millyard begin tight and going from 330 people to 421 in a short period of time is a problem for us. These are some of the things that our department takes a look at and tries to measure...is there enough infrastructure and

support...it's a problem. So, at the same time we're increasing the capacity down in the Millyard on Commercial Street we're also adding 15 seats down in Waltham because even if the building has the space we just can't park them and we find that a lot of our people are commuting in, live in the surrounding communities...we need that type of parking. We know that the landlord has been actively looking at Seal Tanning as an alternative right now. We have space there that we pay for I believe 142 spots that we lease through the landlord from the city and they were looking to possibly do something whether that's in the way of an expansion or a parking garage...we would support the landlord who has suggested that some sort of a facility in the space. We have a strong partnership and wish to continue that with the community through some of the active things we do. Like I said people tend to migrate...Paul and myself are implants from other regions...about three others this year specifically in the Waltham office that migrated up here...there's a better quality of life. It's a desirable, strong community and we're happy to be here and wish to continue to flourish with you in the City of Manchester.

Alderman O'Neil stated we had a number of presentations last night and Autodesk is the exact type of firm that we heard described last night...this is a firm that cities compete for all over the country and I for one am somewhat knowledgeable of their products although I'm not an engineer...there are very few architectural or engineering firms in the country maybe the world that don't use an Autodesk product and we should be very fortunate that they're here in Manchester and as I said Autodesk is the exact company that was presented to us in the economic study last night that cities compete for. So, we should feel very appreciative and thank them for being here and let them know that we stand ready to do what we can do to help them not only remain here but expand their business here. Thank you, gentlemen.

Alderman Gatsas stated thank you for being part of the community. I guess my question is I think I heard you say that right now you lease 442 spaces, is that correct?

Mr. Rechtsteiner replied I believe 142 in Seal Tanning and 72 spaces on the lower lot so it's 213, 214 spaces that we have and right now 330 people.

Alderman Gatsas stated so you're subleasing them because those are city lots from what I understand. I also understand that you said that you would participate in a parking garage.

Mr. Rechtsteiner replied yes through the landlord would be a subsidized project.

Alderman Gatsas asked would you subsidize it with the city?

Mr. Rechtsteiner replied we'd subsidize either private, city.

Alderman Roy stated I'd like to follow up on Alderman O'Neil's comments...you are exactly what the city is looking for and one of the discussions that have been going on for a

long time is the parking situation that not only you but many businesses are faced with in that area and I for one would like to do whatever we can to make the expansion of your company and other companies in that area work and make it as fair as possible for all employers. So, you will be seeing things happen...I know the Mayor's committed to you and I believe this Board is as well. So, thank you, and keep up the good work.

Alderman Lopez asked how long is your lease at the present site?

Mr. Rechtsteiner replied we're about half a year into a five-year lease right now.

Alderman Lopez stated you indicated the growth...Paul, would this company go along with Hackett Hill up there...is that a part of something that could be looked at too in five years from now. Did you listen to the presentation last night?

Mr. Borek replied there will be site available in the Hackett Hill area in the near future.

Alderman Lopez asked did you listen to the presentation last night that we received on economic development in the City of Manchester?

Mr. Rechtsteiner replied I was here for part of it.

Alderman Lopez asked what did you think about the comment of private business making a contribution to the City and helping the economic development in the City of Manchester to move forward for the future.

Mr. Rechtsteiner asked what was the question again.

Alderman Lopez stated there has been a lot of talk and it has been in the paper that private developers or private business should be willing to step forward to help the economic department move forward for the future with the different plans that we have. I was wondering what you felt about that and helping the Economic Development Office move forward because they don't have the personnel and it is very important according to the economics individual that was here, who said without having the number of people private business should step forward and maybe help in that area. How do you feel about that?

Mr. Rechtsteiner responded I think there is an appetite from the private sector but to what extent we will have to see.

Alderman Lopez stated I just want to make sure I understood your answer to Alderman Gatsas that you would do either private or with the City in your expansion of parking spaces. Is that correct?

Mr. Rechtsteiner responded we are willing to take a look at all of the options. For us it is getting to an extreme situation so we are hoping to solve this soon.

Alderman Long stated again I welcome you. You are certainly an asset to Manchester. Do you know how many Manchester residents you currently employ? Do you have a rough idea? I know you may not be prepared to answer that. That is fine.

Mr. Mailhot stated we don't have the exact answer.

Alderman Long asked how do you find Manchester and surrounding areas with respect to a favorable draw from employees.

Mr. Mailhot stated I can speak for myself and others at Autodesk who have moved here in the last several years. My family and I moved here. We were born and raised in Connecticut and moved to California and I worked out of corporate for about five years. We wanted to come back to New England. We were having an operation start up here and we know that there is a good quality of life here and a good education system and affordable housing. In northern California housing is quite expensive. We were able to build a very nice home here and provide for our family here. I know a lot of people at Autodesk feel the same way.

Alderman Long asked with respect to an employee draw within this area, how do you find that on a scale of 1-10 that potential employees from Manchester or surrounding areas be employed at your company. Do you find that favorable or do you have to look outside our boundary?

Mr. Mailhot answered it depends on the position. There are a lot of technical positions here in Manchester. More are coming from the NH area and many come from the Boston area or the West Coast and again they move out here because of the favorable living conditions. It is extremely expensive for us to buy homes in California. I can give you a real example. I recently hired a web manager to work on my team. It took me maybe less than three weeks to identify a local candidate in Southern NH. It is becoming easier.

Alderman Long asked what was the number you were looking for expanding. What was your business plan projection for 2008?

Mr. Mailhot answered 263.

Alderman Long asked for what your needs are for parking now and what you are looking for as far as a solution would that cover through the 2008 mark.

Mr. Mailhot answered yes.

Alderman Shea stated thank you for the presentation. My question to you is why are you growing so much in Manchester and not in Massachusetts. What are the favorable points that are pushing you as a company to employ and to develop here rather than say in Massachusetts? What are we offering as a community and as a state that is not in Massachusetts?

Mr. Cawley stated speaking as a Massachusetts transplant I will tell you one thing. It is a good quality place to put your family. I live in Nashua. I moved up to the area about eight years ago. It was a long commute and it was an hour or an hour and a half a day away from my family. I know traffic was a consideration. Coming up here you have a good education system and lack of state tax. A combination of those factors, I think, brings people here. I can only speak for myself but I wanted to see if I could find something back in this area.

Alderman Shea stated that is from the employee/employer relationship but the business itself...obviously you mentioned that we don't have a sales tax here or other incentives that the state provides or the City provides for your company. Is that one of the reasons why?

Mr. Cawley responded I think part of it is the history of Autodesk acquiring SoftDesk, which was a company based in Henniker. Subsequently we did discover through that location that it was difficult to find talented employees, especially software engineers. Typically what happened is you would find engineers who want that lifestyle of being out in the woods in Henniker but what we discovered was that attracting new employees was very difficult. What we did find, though, is as we moved to Manchester the benefit of being in Manchester is that you can actually work in the City and still live in the suburbs and have the experience of being out in the woods. I think New Hampshire also offers...you have the lakes and the mountains accessible and that is something else I think that attracts people. Employees don't have the same access to that in the Waltham and Boston area. Though they do have the city...the other strength for Waltham is that we are able to find employees because of the university system.

Alderman Shea asked so location is one of the concentric circle that one were to draw you can detract from that center people coming from different areas of the state because of their wanting to enjoy the amenities that the State of NH offers as well as what he indicated regarding the traffic and so forth.

Mr. Cawley answered exactly. At some point I think if any of you want to come to the offices and have a tour and meet some of the employees and ask them those questions first hand you are more than welcome to. I think the information that Paul and Charles provided will resonate from those employees as well. Autodesk is a great company. It is growing fast. We are professional and the employees are very well paid. If you can have all of that and you have those employees working in Manchester where the housing is affordable and there is no state income tax and you have access to the lakes and mountains as well as

Boston it is the story of why it is great living here. I think that is a big contributor to what we are seeing in the growth of our office here.

Alderman Shea stated recently the University of NH made a presentation concerning the expansion of their science and math departments and so forth. Do you have any relationship at all at this time with them or any kind of liaison person who might work with them?

Mr. Cawley responded we do have a number of UNH graduates that do work with us here in Manchester. At the moment we are connected more closely with MIT and with the tech school at Dartmouth.

Alderman Shea asked as far as UNH it is limited as far as you are concerned at this time to whatever...but nothing to do with the actual type of project that they are trying to introduce into the City here – the expansion and so forth.

Mr. Cawley answered no.

Mr. Mailhot stated I will just add to Jay's comment from a business standpoint an advantage to being here is certainly the airport. Many of us here in Manchester. I certainly am on a plane weekly and having the airport growing and flourishing here has been a huge advantage.

Mr. Borek stated if I can just add briefly I think one of the reasons that UNH-Manchester would like to expand their presence and bring more programs into this market is to be of service to the companies like Autodesk and being at the very early, early stages I think those discussions have yet to begin but we will no doubt start those.

Alderman Osborne stated I want to wish you good luck or success in the future. Thank you for coming. I just had one small question. You mentioned you had a five-year lease that you are working on now.

Mr. Cawley no that has been completed. As far as the expansion we don't have a lease right now.

Alderman Osborne stated your business itself is this...you are on a lease now with the business that you have. Didn't you mention five years?

Mr. Cawley responded we are a half of a year into our lease.

Alderman Osborne asked are there any options to go with that.

Mr. Cawley asked as far as what.

Alderman Osborne answered options to the lease. It is five, five and five or five and ten. Do you have any options?

Mr. Cawley stated it is a straight five-year option.

Alderman DeVries asked do you see what happens when you come in the night after we have had our economic development briefing. We will hammer you with questions. Last night we heard that part of what we ought to be looking at in Manchester would be to bring more residency units downtown and I just wondered since we have you here tonight can you share...do you think that any of your employees or have you done any kind of polling to see are they looking for out of town occupancy or are they looking to live and work in the Millyard district? It would be information we would like to know if you don't know it already.

Mr. Mailhot stated I think anecdotally there are both family oriented employees that have larger families that may be living here or in the outskirts of town in an adjoining community. We also have many younger employees joining our company who I know enjoy living downtown or close to the downtown area. So we have both. We have a lot of folks that rent here downtown as well as those who buy homes as Charles mentioned before. We also have a partner of ours, a reseller, Imagine It, which is a worldwide company. They are growing and flourishing along with us and have a number of younger employees who are stationed here.

Alderman DeVries stated business retention is very important to us as a Board and I think this entire Board would agree with me that because our Economic Development Department is growing and maybe is understaffed at this point in time I would just like to make a statement that we would like to be serious about retaining your company in Manchester and its employee base. It is a good thing for the City of Manchester and I am sure that you will reach out to the Mayor or to any of us as Aldermen and let us know if there are specific areas not being addressed within the timeframe like parking or others.

Alderman Gatsas stated just to help Mr. Clark out before he takes a header off the balcony up there I am not looking to move you to Hackett Hill but if the City were to entertain building a parking garage would you look to extend your lease to a 15 year lease so that we could create a revenue bond and I think, Mr. Clougherty, if you could help me out obviously if we create a revenue bond that creates a situation for parking we can talk about other tenants or other landlords that are looking for space as long as we are talking about market rates because the City has a great propensity sometimes for looking at parking garages and not charging market rate and then selling them at a discount and letting the new landlords charge market rate. I have no problem that if we looked at a parking garage to accommodate the growing entrepreneurs that are in your company and also that are in other companies that are

flourishing down in the Millyard and then looking obviously at how we can accommodate the loss of revenue that we had from the Center of NH for the Verizon Center because I think parking after 6 PM most young executives might work until 6 PM but probably at that point they are going home with their families and putting their hard day's work in. It would give us an opportunity to receive some additional revenue because we are paying that fee to the Verizon Center and it gives us an opportunity maybe to look at some of that. Those are issues that I think we as a City if we are talking about space and I think that you gentlemen were here last night and this is a long question but you were here when I asked the expert the final question that I asked him. That being does it make sense for the City of Manchester to sell land for other developers or owners to build parking on. I think his answer was no. I guess I am looking and saying that Autodesk...I appreciate the growth. The City needs you and we want to keep you. I think Mr. Clark wants to keep you as a long-term tenant and if we can sit down and make some sort of deal because I know there are other people looking for parking in the Millyard. It would be something that I think this Board would entertain if we could build a parking garage, have you secure a long-term tenant relationship and lease long-term spaces. I think it is a win-win situation for the City. I think then we can get a lot more companies involved in the parking garage and the City would not have to lease it out so we are worrying about whether we are paying a maintenance company to maintain that and not getting a fair shake. With that question and I guess it was more of a statement than a question and I don't expect you folks to say yes or no but looking at your balance sheet and having no debt I certainly would enjoy watching you step to the plate with us and do a partnership in that garage and anybody else that...I understand there are other people who are also interested. I appreciate it. We certainly would look for an accommodation but that is why I asked that question last night knowing that this was on the agenda for this evening and knowing that it had some stroke of parking that was following what we talked about last night. Thank you for coming. That is an issue that I am sure this Board is going to be coming back with or the Mayor will be asking you whether you are willing to participate with us on a joint venture and also help Mr. Clark out from not having to move you in five years up to Hackett Hill.

Alderman O'Neil stated just to follow-up on Alderman DeVries' point about housing I can remember going to the grand opening. I think your current CEO was the CEO when you moved here and I had a discussion with her about the lack of residential living units because many of your employees like to live in the downtown and walk to work. Hopefully we can keep Autodesk engaged in those discussions as we move forward.

Alderman Shea stated just to pick up on Alderman O'Neil's statement there are vacant places on the corner of Bridge and Elm Street if they are looking.

Mayor Guinta stated I certainly want to thank you for coming. One of the things I think it is critical for this Board to understand are the kind of companies that we have attracted here and the kinds of companies that we want to clearly continue to attract and Autodesk certainly

fits the type of company that we would like to not only retain but see significant growth in. I think it is also beneficial for us to get a feel for what your needs are and how the City and state are servicing you. We certainly will take into consideration all of the issues, not just your issue but all of the issues in the Millyard. We want to see it thrive and we want to see the Millyard at its highest and best use. We certainly appreciate it and I do to. Some of the companies that we are trying to market and bring to Manchester are companies in the 128 beltway and Waltham companies as well so we are certainly hoping at some point that we can convince you to bring those seats up to Manchester. We recognize also the quality of life and cost per employee differential and how significant that is to your company. We will certainly be working with you and thank you very much for coming.

CONSENT AGENDA

Mayor Guinta advised if you desire to remove any of the following items from the Consent Agenda, please so indicate. If none of the items are to be removed, one motion only will be taken at the conclusion of the presentation.

Informational – to be Received and Filed

- A. Minutes of a meeting of the Mayor's Utility Coordinating Committee held February 15, 2006.
- B. Communication from Bryan Christiansen, Manager of Government and Community Relations for Comcast, advising of a new offering known as the Family Tier.

REPORTS OF COMMITTEES

COMMITTEE ON ACCOUNTS, ENROLLMENT AND REVENUE ADMINISTRATION

- C. Advising that it has accepted the Board of Assessors abatement and overlay account updates and is forwarding same to the Board for information purposes.
(Aldermen Pinard, Smith, DeVries and Long voted yea; Alderman Thibault was absent.)
- D. Advising that it has accepted the Internal Audit Report of the Office of the City Clerk and is forwarding same to the Board for informational purposes.
(Aldermen Pinard, Smith, DeVries and Long voted yea; Alderman Thibault was absent.)
- E. Advising that it has accepted the City's Monthly Financial Statements (unaudited) for the seven months ended January 31, 2006 for FY2006 and is forwarding same to the Board for informational purposes.
(Aldermen Pinard, Smith, DeVries and Long voted yea; Alderman Thibault was absent.)
- F. Advising that it has accepted the City's Quarterly Financial Statements (unaudited) for the six months ended December 31, 2005 for FY2006 and is forwarding same to the Board for informational purposes.
(Aldermen Pinard, Smith, DeVries and Long voted yea; Alderman Thibault was absent.)

- G.** Advising that is has accepted the following Finance Department reports:
- a) department legend;
 - b) open invoice report over 90 days by fund;
 - c) open invoice report all invoices for interdepartmental billings only;
 - d) open invoice report all invoices due from the School Department only;
 - e) listing of invoices submitted to City Solicitor for legal determination;
 - and
 - f) account receivable summary
- and is forwarding same to the Board for informational purposes.
(Aldermen Pinard, Smith, DeVries and Long voted yea; Alderman Thibault was absent.)
- H.** Advising that it has accepted a summary of CIP project balances as of December 31, 2005 and is forwarding same to the Board for informational purposes.
(Aldermen Pinard, Smith, DeVries and Long voted yea; Alderman Thibault was absent.)
- I.** Advising that it has accepted the quarterly Treasurer's Report for the period ended December 31, 2005 and is forwarding same to the Board for informational purposes.
(Aldermen Pinard, Smith, DeVries and Long voted yea; Alderman Thibault was absent.)

COMMITTEE ON LANDS AND BUILDINGS

- J.** Recommending that a request from Pierre Bouchard for the removal of an easement included in a 1922 deed located at 944 Mammoth Road be approved, and further that the Mayor be authorized to execute said Release of Easement Rights (enclosed herein) upon review and approval of the City Solicitor.
(Aldermen Smith, Forest, Roy and Long voted yea; Alderman Thibault was absent.)

COMMITTEE ON PUBLIC SAFETY AND TRAFFIC

- L.** Recommending that:
- Bridge Street, from Hall Street to Mammoth Road, be designated as an advisory school zone;
 - that Southern NH Planning Commission be asked to conduct a study of that area for possible traffic signals; and
 - that the Traffic Department look into the cost of signalization.
- (Unanimous vote)*
- M.** Advising that it has approved a petition from residents of Amherst Street requesting to amend Section 70.55 Residential Permit Parking and recommends that same be referred to the Committee on Bills on Second Reading for technical review.
(Unanimous vote)
- N.** Recommending that a request from Robin Bonneau for the use of Arms Park and the Notre Dame Bridge for the 15th Annual WGIR/FM Memorial Weekend fireworks display on Sunday, May 28, 2006 with a rain date of Monday, May 29, 2006 and set up on Saturday, May 27, 2006 be granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk Departments.
(Unanimous vote)
- O.** Recommending that a request from Cathy McDonald, Marcel's Way, for the use of Arms Park on Saturday, April 29, 2006 from 10 AM until 4 PM with a rain date of April 30, 2006, in conjunction with a walkathon to help raise awareness of mitochondrial disorders be granted and approved under the direct supervision of the City Clerk, Fire, Highway, Police, Traffic and Risk Departments.

(Unanimous vote)

- P.** Recommending that a request for the painting of shamrocks at the intersections of Elm and Pleasant Streets and Elm and Hanover Streets for the St. Patrick's Day Parade be granted and approved under the direct supervision of the Police and Traffic Departments.

(Unanimous vote)

- Q.** Recommending that regulations governing standing, stopping, parking and operations of vehicles be adopted and put into effect when duly advertised and posted.

(Unanimous vote)

HAVING READ THE CONSENT AGENDA, ON MOTION OF ALDERMAN THIBAUT, DULY SECONDED BY ALDERMAN DEVIES, IT WAS VOTED THAT THE CONSENT AGENDA BE APPROVED.

Report of the Committee on Public Safety and Traffic:

- K.** Recommending that the following question:

“Are you in favor of requiring that all drivers in the State of New Hampshire carry motor vehicle liability insurance?”

be forwarded to the voters as a non-binding referendum question at the November 7, 2006 General Election.

(Unanimous vote)

Alderman Gatsas stated I am looking at this as a non-binding referendum that states are you in favor of requiring that all drivers in the State of New Hampshire carry motor vehicle liability insurance. That is certainly an easy question. I think that 100% of the people would say yes to that question except when you tie to it or maybe we should have the Department of Insurance come up here and talk to the Committee on Public Safety and Traffic on why this has been discussed at the state level and what the concerns are because to put that question, a simple question out like that to the voters, I don't question that it is going to come back at 100%. However, if you added to that that it could increase your insurance by \$300 or \$400 a year the voters may have a different opinion on that. I think, again, when you put it out to the voters I think everybody is going to vote yes until the question is what is it going to cost. I think maybe we ought to re-refer this to Committee and certainly call the Department of Insurance in so that the Committee members can ask the questions that I have been asking for a few years on that same issue.

Alderman Osborne stated as Chairman of Public Safety and Traffic, I am more than happy to bring this non-binding referendum question to the citizens of Manchester. I think it is long overdue. I have been thinking about this for years. It is not just something off the top of my head. It has been going through Concord for I don't know how long now through the State representatives and it dies there and drowns and doesn't go any further. All I am trying to do here is put a little powder behind the bullet. Manchester being the largest city in New Hampshire carrying the most population, with 57,000 voters in the City of Manchester I

think we might have a little bit of say over 400 reps in Concord or 15 of us here. If anybody wants to vote against this that is fine but I think they can make up their own minds. It is costing them money now whether they know it or not because they have uninsured motorists insurance and when they get in an accident they have to use their collision insurance, which is sometimes up to as much as a \$500 or \$1,000 deductible. I had an incident in my ward on the corner of Massabesic and Spruce Street in which a child was killed and there was no insurance involved in that accident. It is fine if one of them has insurance and the other one doesn't but what happens when two of them get into an accident and they both don't have any insurance and there are kids that are disabled for the rest of their lives in that car? I feel very sorry for the children who have to get into an uninsured car because it is very dangerous. A car is a weapon today. It is not a pleasure anymore. It is a weapon. I think we are doing a lot of favors to the people who don't carry liability insurance out there and I believe in this wholeheartedly.

Alderman Gatsas asked does this go to Bills on Second Reading.

Alderman Osborne stated it has already been through the Traffic Committee. It was a unanimous vote there.

City Clerk Bernier responded no it will not go to Bills on Second Reading. The Board will make the final decision.

Alderman Shea stated I would be interested at the state level the discussions that have taken place concerning why insurance rates have to be raised in terms of putting such a proposal in. I am not quite sure what the circumstances might be and I would be interested in finding that out. Personally I wouldn't mind paying an extra \$200 or \$300 if it is going to be a safety issue. I am speaking for myself and I know that certain people who pay insurance can't pay that and I realize that but because of the discussions that have taken place at the state level I think it would be informative for the Board of Mayor and Aldermen and the citizenry to know what the implications of a decision might be before the actual referendum is presented to the people. I am still in favor of this particular referendum, however, I would encourage the Mayor and your people here to have someone here from the insurance so that we could get a full understanding of what the implications of this action would be and then people would have a better idea of what they are voting on or not voting on.

Alderman Lopez stated I would agree with Alderman Shea and Alderman Gatsas. I think we need to get all of the necessary information so that we can make that intelligent decision and answer questions because most of the voters are going to ask what it means if they vote yes or vote no. I think the insurance commissioner coming down here...we have plenty of time to put it on the ballot in November. If I may ask the City Clerk, what would be the latest date for us to put a referendum on the November ballot?

City Clerk Bernier responded it would be the first of October.

Alderman Lopez stated I think there is plenty of time and I think it is only fair that we have all of the information other than just putting a referendum on the ballot that the representatives or the state senators could take up there and attach to a bill or whatever the situation is. We should get all of the facts from the insurance commissioner as to why they are not doing it.

Alderman Osborne stated I don't think there is any reason not to go ahead with this this evening and put a non-binding, again a non-binding referendum question on the ballot. We can still get all of this information out of Concord. Get all of the information you want as far as...I don't believe at all that it will cost \$300 or \$400. I think the drivers now that carry liability insurance are paying for this anywhere right now. Those insurance companies know exactly a percentage of how many vehicles out there are uninsured in the state or whatever so they have to add that in because of the situation. I don't believe \$300 or \$400...it is a little high but whatever. If we do pass it this evening we can still get all of the information from the state reps and senators or Concord or whatever you want and then it gives the people out there a good outlook on what is going on and they can still vote on it in November.

Mayor Guinta asked would the author of the ordinance be opposed to tabling this until a presentation was made by the insurance commissioner given the fact that we do have six months before we need to make a final decision just to provide the Board the full and complete information.

Alderman Osborne stated I have already talked to Concord. I don't want to get into all of that.

Mayor Guinta responded that I understand, Alderman, however it is clear that not all of the Aldermen have the same information that you have.

Alderman Osborne stated believe me I think we should let the people speak. This is the way I have always felt as an Alderman. If this is what they want then this is what they should have.

Alderman Osborne moved to accept, receive and adopt the report of the Committee on Public Safety and Traffic.

Alderman Osborne stated it can be amended by what Alderman Shea has come up with or Alderman Lopez has come up with but at least it can be passed this evening and go on the ballot in the fall. We can get all of the information together and I am sure the *Union Leader* will be more than happy to put all of this in the paper and let the people decide out there which way they want to go. That is all I am asking for.

Alderman Gatsas asked can we get some statistics from the City Clerk on a non-binding referendum. Can you tell us the last time that a non-binding referendum was on a ballot what the amount of votes were that were collected in an off Presidential year? I understand Alderman Osborne said that there are 57,000 voters in the City. Now I would hope that he is not anticipating 57,000 voters coming to vote for a non-binding referendum in a non-Presidential year but maybe the City Clerk can give us an idea in a non-Presidential year how many voters would be coming forward in the City so that we know what that majority is that is talking for the state of NH.

City Clerk Bernier asked are you talking about the state election or primary election that is coming up in the fall.

Alderman Gatsas answered whenever this is going to be put on the ballot.

City Clerk Bernier stated there will be about 20,000 votes cast.

Alderman Thibault stated we should give all of the voters in Manchester the right to be heard. I really believe that Alderman Osborne is right in what he is bringing up. I think the people of the City should decide what is going to happen here.

Alderman Lopez moved to table the report and have the insurance commissioner come down and explain the insurance. Alderman Forest duly seconded the motion.

Mayor Guinta called for a vote. There being none opposed, the motion carried.

Nominations to be presented by Mayor Guinta, if available.

Board of Adjustment

Michael Langton to succeed George McNamara, term to expire
March 1, 2009

Brian Desfosses to succeed Steve Freeman, term to expire March 1, 2009

Joseph K. Levasseur to succeed Brian Desfosses as an alternate member, term to
expire March 1, 2007.

Mayor Guinta stated these nominations will layover to the next meeting pursuant to Rule 20.

Confirmation of the nominations to the Manchester Development
Corporation Board of Directors as presented:

Cathleen A. Schmidt to succeed Scott W. Ellison, term to expire March 11, 2009;
Nick Soggu to succeed William Sirak, term to expire March 11, 2009; and
Alderman Armand Forest to succeed Alderman Henry Thibault as the Aldermanic
Representative, term to expire January 1, 2008.

Mayor Guinta stated I am going to be removing Cathleen Schmidt for the moment. We have not received a resume as we have requested so prior to asking this Board to vote on that nomination I would like to at least have that resume available. We will make every effort to assure that we have that for the next meeting. I would like to move ahead with the confirmation of the rest of the nominations.

Manchester Development Corporation – confirmations

Nick Sogu as presented
Alderman Forest as presented

Alderman Pinard moved to confirm the nominations of Nick Soggu and Alderman Forest. Alderman Thibault duly seconded the motion.

Alderman Roy stated this Board has been very strict on its policy for resumes but I believe Ms. Schmidt's presidency of Citizen's Bank would be an excellent addition to MDC. I, for one, would like to go forward with that nomination. I think her position at Citizen's Bank speaks for itself and the corporate partner that they are for the City.

Mayor Guinta responded I appreciate the gesture but I would like to follow that procedure that was set forth by the Aldermen. I do think that you should have the opportunity to see the resumes although I appreciate your support of her nomination.

Mayor Guinta called for a vote. There being none opposed, the motion carried.

OTHER BUSINESS

- 11.** Report of the Committee on Finance, if available.

There was no report presented.

- 12.** State Legislative update by Mayor Guinta, if available.

Mayor Guinta stated we haven't update this week as the House and Senate were adjourned last week.

- 13.** Communication from Kevin Clougherty, Finance Officer, providing information relating to the \$101,410,000 FY2003 School Facilities Revenue Bonds project concerning the use of the Contingency Fund.

On motion of Alderman O'Neil, duly seconded by Alderman Pinard it was voted to receive and file this item.

TABLED ITEM

- 14.** Report of the Committee on Administration/Information Systems advising that it has

accepted a report from Manchester Communication Access Media, Inc. (MCAM) indicating they are operational and fully functioning at their current location and submitting a list of expenditures, and is forwarding same to the Board for informational purposes.

(Aldermen O'Neil, Smith, Forest and DeVries voted yea; Alderman Lopez was absent.)

(Tabled 02/21/2006 pending further information. Mr. Lahr has requested this item remain tabled until March 21, 2006 at which time a presentation shall be made.)

This item remained tabled.

15. NEW BUSINESS

Alderman O'Neil stated I just want to remind members of the Board that the St. Patrick's Day Parade is on March 19 at noon stepping off from Salmon and Elm Street. Hopefully everybody will come down and join us.

Alderman Roy stated just a quick update on the new recycling program. It has been quite a success and just a reminder to all of the homeowners and residents of Manchester that the recycling gets picked up the same day as your trash on a weekly basis. If there are any issues regarding recycling there is a recycling hotline, which is 413-6799 and that is manned by the subcontractor. I encourage all residents of the City to participate in the recycling program. Thank you.

Alderman Shea stated I noticed that you, your Honor, and members of the School District attended a computer type course. Could you give us an explanation?

Mayor Guinta stated myself, Frank Bass, Asst. Superintendent Burkush, School Committeeman Kruse, and Kevin Smith from the IT department and Arthur Adamakos were invited to go down to Apple Computer in New York to talk about how we can improve technology in the school system. As you know at the moment the predominantly used technology in the school system is Apple computer. They certainly are looking to extend a contract with the City and I think there are a lot of opportunities for the City to enhance its technology operations. We are also required by law to have technology infrastructure improvements on an annual basis. So they were kind enough to invite us down to New York to spend two and a half days. We learned a lot about the systems they have including student information systems. I know that the School Board is now putting together an RFP for potential companies to respond to. They are also going to be likely looking at any potential surplus funds to pay for any of the improvements that are necessary.

Alderman Shea stated I know years back, your Honor, when HTE or whatever the computer system was that was adopted by the City was not compatible with the School Department and they had to use a system that was either used in Alaska or someplace like that. Will this be compatible with the programs that the School District has as well as different types of areas in the school that have to be related to the state and federal government?

Mayor Guinta responded there are systems that Apple Computer has that would be compatible with existing operations on the school side but not on the City side, which is an issue that we have talked about in the past and probably need to continue to talk about in terms of how to integrate those systems, particularly also from a cost perspective because there would be significant savings if somehow we could integrate both. I think the challenge there is that Apple is a company that is focused more on education and doesn't focus necessarily on the city side.

Alderman Lopez stated I have two things. One is I want everyone to be aware and there will be more information and publicity coming that the Senior Center Committee, which the Mayor is a member of, is going to have their first annual Senior Stampede Walk on April 15. It is a walk-a-thon and there will be more information forthcoming on that. Another thing is I wanted to know if we could have a report from the Economic Development Director in reference to all of the projects we have and the debt service. I have been getting a lot of questions from some Aldermen and I queried some of them as to whether they know all of the projects going on in the City. If we can get a report from the Economic Development Director on all of the projects and the status of the projects and the debt service...for example the Bridge and Elm Street project if we can be brought up-to-date on how many people are there and stuff like that initially and then maybe quarterly we can get a report.

Mayor Guinta stated we can do that. We will talk about if we can do it for March 21. Would you like it for March 21?

Alderman Lopez responded that is fine. Whatever is more convenient. If he can do the complete report with the Finance Officer on the obligation of some of these projects.

Alderman Gatsas stated I think Finance has already done it.

Alderman Lopez stated we haven't gotten a complete report yet.

Alderman Roy stated the report that Alderman Gatsas is referring to just went to the Committee and not all of the Aldermen.

Kevin Clougherty, Finance Director, stated at one of the more recent meetings the Alderman from Ward 2 had asked us to pull together some information on projects along with Alderman DeVries who had some questions about the Derryfield Country Club at the time. We explained that we would pull together a draft report that would compile all of the information on all of these outstanding projects, which we have done. We also cautioned the Board that we needed to, in developing a report like that, circulate it amongst the departments to make sure it was complete and accurate. We are at that phase. Usually when we do financial reports we test them through the Committee on Accounts and Enrollment,

which is the audit committee. The draft has gone to the Committee on Accounts and it has been circulated to departments for their response and we would hope at the next meeting of the Committee on Accounts that we could come back with a finalized report that we can then distribute to the full Board for their review.

Alderman Lopez stated I appreciate that very much but I think the Economic Director should be giving the report to the full Board on projects within the City that affect the City and the financial aspects should come a little later as you indicated, Mr. Clougherty. I think information on say the project at Bridge and Elm in which we have a \$5 million investment...what is the status there? I know you are going to tell me now but we should get information on that before this meeting.

Mr. Clougherty responded what I was going to say is our report is going to give you the financial information on payments but the status of some of these projects in terms of completion and construction is outside the realm of the Finance Department. I think the discussions that Paul and I had were if we could start with a financial report that listed all of the projects Paul could use that for a basis for developing something else for a briefing.

Alderman Lopez replied I appreciate that but also we have a program out there...I think we gave exclusive rights for the Pearl Street parking lot. I don't know the status of that. Can any Alderman tell me what is going on? I am just asking the Economic Development Director to bring us up to par that's all.

Mayor Guinta stated I do think it is a good idea, particularly since economic development clearly has escalated in terms of its importance and in terms of the number of projects and the technicality that is involved in the project. I think it is certainly a fair request to have the Economic Development Director provide on a more regular basis a status and update. I would certainly echo those sentiments. We do have the Finance report and possibly Paul could use it as a blueprint to create something. Maybe you could give prior to the next meeting at least a verbal update to the Chair of the Board and then we could determine if March 21 is the appropriate time to make that presentation or if it should wait until April.

Alderman Smith stated I am a little bit upset. Certain members of this Board got the information. I sit on the Accounts Committee and I didn't know anything about this until Alderman Gatsas brought it up. You talk about communication. I would think that the Accounts Committee would be the first Committee to look over the situation.

Mr. Clougherty stated that report was handed out to the Committee. They have it.

Alderman Smith asked what report was that.

Mr. Clougherty answered it was a draft.

Alderman Gatsas stated I guess I go back to Item 13, which we received and filed and I guess some Board members understand some of the projects that the Committee on Joint School Buildings approved. I understand the Finance Director has told them they can't go forward with it. I don't know if the full Board knows that or not but I didn't hear that and maybe I can have somebody make...I will make a motion for reconsideration on Item 13 just so we can hear from the Finance Director on some of the projects that can't go forward because of what they have told them.

Alderman O'Neil stated as a courtesy to my distinguished colleague from Ward 2, I attended the Joint School Building Committee meeting. Mr. Clougherty gave a full explanation to them. I am not a member of the Committee. It is my understanding that they have jurisdiction and although I was quick with my motion and I thought it was appropriate, out of fairness to Alderman Gatsas that information was not shared with him and I don't know if everybody is aware with what Mr. Clougherty said. As a courtesy if we can do it without a reconsideration that is fine and if we need to do it...

Alderman Gatsas interjected I don't have a problem if he just wants to give us an update on it.

Mr. Clougherty stated at a previous Board meeting the City Solicitor and the Finance Officer were asked to look at the school revenue bond project and in particular to take a look at contingency and RSA 33:B, which is the basis for the issuance of the revenue bond and we have done that. Tom and I met and we went over the documents in detail. You have a letter that was Item 13 tonight that explained to you that the costs that have been presented for payment so far have been within the scope of the project. Let me explain how the process works. The process that we are following for the payments for the school facilities revenue bond is the same process that we follow for the water revenue bonds and it is the same process that we follow for the airport revenue bonds. Basically what happens is bills are submitted, they are reviewed by the department head. At Airport they are reviewed by Kevin Dillon, at Water by Tom Bowen and at the School District they are being reviewed by Frank Thomas. Once Frank is satisfied that it is an allowable expense and it has been approved by the Joint School Building Committee it comes to me. I sign it and I send it to the trustee. The trustee releases the dollars and the payment is made. With respect to the School Building Authority, we have gone through that 34 times. There have been 34 separate requisitions. On the 34th requisition there were for the first time items identified as petitions for Beech Street School and some work to be done with that. There were not any expenses associated with that as part of the requisition. It was really the first time that we were being noticed by the Committee and by others that there might be some expenses there. We took a look at those expenses and it was the conclusion of the Solicitor and myself that they were outside the original scope of the design-build. So we informed the Joint School Building Committee that they would not be allowed to process those items because they are

outside the scope of the project. We met with Joint Schools and we told them that and as far as I know they are taking corrective action.

Alderman DeVries stated my question would be in the opinion of Finance because although I did hear about the comments that had been made at Joint School Buildings I am not sure I agree wholeheartedly with those interpretations. The Beech Street School would that be the fire alarm system upgrade?

Mr. Clougherty responded no the fire alarm system we are okay with.

Alderman DeVries stated you are talking just because they are new projects dealing with the soundproofing or the closing in of classrooms.

Mr. Clougherty responded if you think about it Alderman what we have tried to be with the design-build project is as reasonable as we can with the allocation of expenses. If, for example, you go into Beech Street School and as part of the work you are doing there you find that the alarm system is out-of-date and you have to replace part of it there is a nexus there to the project and that makes sense to us but when you are $\frac{3}{4}$ of the way through a project and you are hiring an architect to go out and design additional work that hadn't been contemplated before, it is hard to justify that that was part of the original scope and it is very hard to justify that to the bond holders. Understand that under this revenue bond it is a little bit different. In other projects when we do general obligation bonds the Board has the authority to move bond balances to other projects. In this case if there are any balances in contingency or any of the other line items that has to go back to the trustee to pay back interest so the bondholders are not exposed on that interest side. So it is a different scenario from the Wall Street perspective and we have to be careful that we honor the terms of the contract. On that particular issue it is our feeling that there is not a nexus there and it cannot be allowed to move forward.

Alderman DeVries stated I believe Hallsville has a roof issue so you are saying that if that requires evaluation to the extent that an architect needs to look at that that it would not be considered part of the renovation.

Mr. Clougherty responded if part of the work, and again I am not too familiar with Hallsville and I will defer to others on that but if you are up and doing improvements on the roof and you are putting on some type of air conditioning unit or something like that and you discover as part of that that there is an actual condition that needs to be fixed that is different than going in and saying we are going to redesign the roof or restructure the internal operations of a school.

Alderman DeVries stated I think the importance of this is that the interest rate that the City receives is very favorable and it is something that would be nice to carry forward and

accomplish as many projects as we can with that low interest rate because if we were to go back out and bond today at 1 ½ or 2% higher than when we bonded the \$105 million and Finance can tell me the difference if you know.

Mr. Clougherty responded I don't disagree with you and everything you are saying is true in terms of would it be or could it be more expensive if we had to go out and issue another bond for the petition. I don't disagree with you on that and as you know markets ebb and flow and conceivably we could go out and get a better rate or a worse rate. The thing you have to remember is the Internal Revenue Service is taking a much more dedicated approach to looking at debt that is being issued and managed by towns. If they were to come in and find that we were not following our documents then there is a chance that our tax exemption status could be effected. We are not a city state. We have oversight by different regulatory bodies when we issue our bonds and Tom and I try to be as flexible as we can but this request for the partitions really pushes beyond the flexibility that I think is prudent for us to honor our signatures on the bonds for what we guaranteed to the bond holders.

Alderman Lopez stated I would like to ask Alderman Roy a question. He sits on the Joint School Buildings Committee. Did the Committee decide to let Kevin if he finds anything within the scope of the project to spend any money?

Alderman Roy asked could you repeat the question.

Alderman Lopez asked did the Committee decide that if they find something within the scope of the project for the safety of the school or whatever the case may be that if it is in the scope of the project did they authority them to come back to the Committee to spend any money.

Alderman Roy responded if the question you are asking is if there is a spending freeze right now of the contingency money, I don't believe there is. The Joint School Buildings Committee takes oversight of the contingency funds very seriously and the safety of the children and the finishing of the project very seriously. We have no spending freeze in place but we will scrutinize as we have in the past every request that comes in whether it comes in from the Building & Sites Committee of the School Board, from this Board or the Building Maintenance Department the same way we have scrutinized every cost that has come in front of that Committee with the 34 change orders so far.

Alderman Lopez asked do the legal fees come out of that money Kevin.

Mr. Clougherty asked out of contingency.

Alderman Lopez answered yes.

Mr. Clougherty stated they could. I don't think there has been any to date but certainly if there are legal expenses incurred with respect to the project that would be eligible.

Alderman Shea stated just as a point of clarification, my understanding and again it is just me speaking but I thought this was a \$105 million design-build project. I see here it is \$101,410,000. Could you clarify that for me Kevin? Why do we keep calling it \$105 million?

Mr. Clougherty replied there were two...you authorized the bond issue of \$105 million. There was one bond issue done at the \$101 million and then we later subsequently issued the balance.

Alderman Shea asked so the two issues...

Mr. Clougherty interjected we used the reference to the one because that is the first one that we had done.

Alderman Shea stated so actually it was \$105 million in total.

Mr. Clougherty responded correct.

There being no further business, on motion of Alderman Pinard, duly seconded by Alderman Long it was voted to adjourn.

A True Record. Attest.

City Clerk